

10/06/06

Army Retirement Services Current News

Reminder: The year-long SBP open enrollment period ended Sep 30, 2006

Army Echoes, Issue 3, Sep-Dec 2006
has been posted.

DFAS News

Retroactive Payment of CRSC and/or CRDP

(from the DFAS homepage) The Defense Finance and Accounting Service (DFAS) and the Department of Veterans Affairs (DVA) have finalized the plans to provide eligible retirees with their "complete" DoD military retirement entitlement to Combat-Related Special Compensation (CRSC) and/or Concurrent Retirement and Disability Pay (CRDP) and /or DVA disability compensation entitlement. Potential retroactive pay is due for more than 100,000 retiree accounts. Individual amounts will vary based on differences in disability amount, and length of retroactive period. Retirees entitled to additional money from DFAS will receive notification by mail of money due and a schedule of payment.

CRSC, which became effective in June 2003, provides non-taxable benefits to veterans disabled resulting from a combat injury. CRDP, effective in January 2004, provides taxable income to veterans disabled while serving in the U.S. Armed Forces (not necessarily in combat). Surviving spouses or deceased retirees' estates may also receive compensation.

DFAS began initial payments in September 2006 and the DVA plans to begin payments in October 2006. The basic criteria for a retroactive payment is for an individual currently in receipt of either CRSC or CRDP who received an increase in DVA compensation since June 2003 for CSRC or January 2004 for CRDP which was not offset from the retired pay entitlement on a current basis.

Completion of the majority of payments is expected within six months, and it could take up to six more months to calculate and pay the most complex retroactive pay accounts. The

majority of payments are being made utilizing a manual process. These involve multiple DVA rating adjustments since CRSC and CRDP began, shifts by retirees between these two types of payments, ex-spouse pay entitlements and any other issues that requires lengthy record searches. DFAS plans on paying the accounts with the oldest retroactive dates first. In some instances, recipients may be entitled to additional compensation from the DVA. In such instances, the DVA is responsible for the payments and will notify the affected retirees.

DFAS has established a toll-free line that is operational from 8:00 to 4:30 (Eastern). Monday through Friday to address questions from CRSC and CRDP recipients who believe they might qualify. The toll free number is 1-877-327-4457.

QUICK FACTS

To be eligible, you must:

- Be a military retiree (Army, Navy, Air Force or Marine Corps).
- Meet all the requirements for either CRSC or CRDP eligibility
- Have received payment(s) of either CRSC on or after June 1, 2003; and/or CRDP on or after January 1, 2004.
- Have been awarded one or more increase in your percentage of disability by the VA on or after June 1, 2003.

What will happen?

- Retirees need take no action to claim any funds.
- DFAS and DVA will use existing records to identify recipients.
- Recipients will be notified by letter of additional funds due.
- Retirees may be eligible for payment from DFAS as a restoration of retired pay or from DVA as a part of disability compensation.
- In cases where retirees are due money from DFAS and DVA, DFAS will provide information to DVA as needed. Retirees need take no action.

When things will happen:

- The first DFAS retroactive payments were made in September 2006.
- Due to the large number of cases, the payment process could take up to a year.
- Once all eligible retirees have been identified, DFAS will publish a general schedule on this Web site.
- All retirees who may be eligible for additional money are expected to be identified by October 1, 2006.

1. *What do I need to do to receive my money?*

Answer: You do not have to do anything - no application is required. The Department of Veterans Affairs (DVA) is providing the Defense Finance and Accounting Service (DFAS) with eligible retirees' Social Security Numbers (SSNs). Both organizations are working together to provide eligible retirees with their full entitlements to both DVA compensation and Combat-Related Special Compensation (CRSC) or Concurrent Retirement and Disability Pay (CRDP).

2. *When will I receive my payment?*

Answer: The DFAS is planning to pay the accounts with the oldest retroactive award dates first. We ask that you be patient with us during this time as the payments are calculated utilizing a manual process. The DFAS has however developed some automated tools to assist in computing the payment. Every effort is being made to pay as many accounts as rapidly as possible without sacrificing correctness. A letter will be sent out shortly before any payment is released.

3. *Who will pay me the money I am owed?*

Answer: Any monies owed may be paid by either DVA or the DFAS depending on account specific calculations. Retirees may be eligible for payment from the DFAS as a restoration of retired pay and/or from DVA as a part of disability compensation. The letter you will receive will indicate which agency will be making the payment.

4. *I am rated at 100% due to individual unemployability. Am I eligible for a retroactive payment?*

Answer: You can only receive a payment for 100% with individual unemployability if the award is applied retroactively by the DVA.

5. *I disagree with my rating. What should I do?*

Answer: Disability percentages do not come from the DFAS. Disagreements in disability percentages should be directed to the DVA. You can contact the DVA by calling toll free 1-800-827-1000.

6. *How do I contact the DVA for the money they owe me?*

Answer: Questions regarding any monies due to you from the DVA can be directed to their toll free number.

7. *I received a letter in the mail from the DFAS but I never received the payment. What do I do now?*

Answer: If the letter indicated the payment was from the DVA, contact them by calling their toll free number. If the payment was from the DFAS, your payment was sent to the same address designated for your regular monthly payments. If your payment is delivered via electronic fund transfer (EFT) and it has not posted to your financial institution contact the DFAS telephone number contained in the letter you received. If your regular monthly payments are delivered via hard copy checks, please allow for mail times. If it has been at least 10 days since you received your letter and you still do not have your paper check follow the non-receipt procedures below:

- Write a letter including name, SSN, address, missing payment type, date and amount
- Fax the letter to (216) 522-5898, or mail to:
DFAS Cleveland
Attn: Non-Receipt Department
P.O. Box 998005
Cleveland , OH 44199

8. *Is the retroactive payment taxable?*

Answer: Only payments made by the DFAS for CRDP are taxed. They will be taxed at the same rate as your normal monthly payment. If the VA retro payment was made by the DVA, please contact them using their toll free number for taxability information.

9. *Will I receive a separate 1099R for this payment?*

Answer: No. If your payment was issued by the DFAS for an increase in CRDP as a result of a retro DVA award, the DFAS is responsible for withholding and reporting taxes on a Form 1099R. The taxable income will be included in your annual 1099R. If your payment is issued by the DVA, DFAS is not responsible for any tax reporting and will not issue an additional or revised Form 1099R.

10. *Is the retroactive VA award pay subject to garnishment, former spouse, etc?*

Answer: If you receive CRSC, you are subject to alimony and child support. Since CRDP is a restoration of retired pay, the same rules that would apply to your retired pay would also apply here.

11. *How can I contact the DFAS if I have questions?*

Answer: DFAS has established the following toll free number; **1-877-327-4457** which is operational from 8:00 to 4:30 (Eastern). Monday through Friday to answer questions from CRSC and CRDP recipients who believe they may qualify.

TRICARE news

TRICARE postpones policy to deny claims for care from doctors opting out of Medicare

TRICARE has postponed implementation of a policy that would deny claims from beneficiaries who enter into private contracts with providers who have opted out of Medicare. Certain providers may "opt out" of Medicare for a period of two years and enter into private contracts with Medicare-eligible beneficiaries. When a provider "opts out" of Medicare, Medicare will not make any payment to the provider or the beneficiary except for services provided in an emergency/urgent care situation. A private contract must be signed by both parties prior to delivery of services, and must include the following statements:

The beneficiary (or legal representative) agrees not to bill Medicare or to ask the provider to bill Medicare for services.

The beneficiary (or legal representative) agrees to give up any Medicare coverage and payment for services furnished by the opt-out provider, even though the services may have otherwise been covered by Medicare.

The beneficiary (or legal representative) agrees to be liable for the full billed amount without regard to any limits that would otherwise apply under Medicare.

The beneficiary acknowledges that Medigap plans will not make payments to opt-out providers, and other supplemental plans may elect not to make payment.

Since the beginning of the current TRICARE contracts, TRICARE has been acting as primary payer for these opt-out claims. Paying these claims as primary payer is contrary to long-standing TRICARE policy which requires TRICARE to pay second to Medicare for any Medicare-covered services. As a rule, TRICARE beneficiaries may not elect to waive benefits under a double coverage plan and shift the costs to TRICARE. To comply with these requirements, TMA had decided to modify the payment process for claims from opt-out providers and Medicare beneficiaries who have entered into private contracts.

Due to interest in this issue, several different alternatives are being explored and TRICARE will announce its final decision in the near future. While this proposed policy change is being analyzed, beneficiaries may continue to see Medicare opted-out providers. However,

they are strongly encouraged to seek Medicare participating providers. Additionally, TRICARE beneficiaries should review any papers they sign in a provider's office to rule out that they are agreeing to see a provider who has opted out of Medicare. TRICARE will continue to pay claims as primary payer of beneficiaries continuing to see providers who have opted-out of Medicare if they would otherwise be covered by TRICARE until a final decision regarding this issue is made.

It should be noted that TRICARE has not proposed any changes affecting non-participating Medicare providers. Non-participating Medicare providers may still file claims and seek reimbursement from Medicare, and TRICARE will continue to pay as second payer on these claims. This proposed policy change would only affect beneficiaries who enter into private contracts with providers who have opted out of Medicare.

VA News

All old versions of Veteran Identification Cards & Patient Identification Cards to be replaced

The Department of Veterans Affairs (VA) has announced that VA health care facilities are beginning an aggressive campaign to assure that enrolled veterans with old versions of its ID cards are issued the new Veterans Identification Card (VIC). VA decided to initiate the mass replacement to reduce veteran vulnerability to identity theft and to demonstrate VA's commitment to securing the confidential personal information of all enrolled veterans.

VA indicates that prior versions of its identification cards display sensitive information such as social security number and date of birth on the front of the card. The new VIC, which was introduced in 2004, removed the sensitive information from the face of the card.

Since the new VIC was introduced in March 2004, approximately 2.4 million enrolled veterans have been issued the new VIC. VHA estimates that between 3 and 4 million enrolled veterans have not yet been issued a new VIC. VA hopes to complete the massive replacement program within the next 12 months.

Verifying your service

Web-based third party record request coming to St. Louis

Does your potential employer or a financial institution need to verify your military service?

Web-based Third Party Request will soon enable Army Reserve Soldiers and some retirees to establish authorization for employers and financial institutions to login, view, and print designated portions of their military personnel files in order to confirm military service.

Soldiers will be guided through a series of steps to establish a Personal Identification Numbers (PIN) and to select the documents and data that can be viewed by a third party requester. Soldiers will need to provide their PIN and AKO email address to the employer or financial institution seeking the information.

Members of the Army Reserve, including but not limited to, Individual Ready Reserve, Individual Mobilization Augmentee, Troop Program Unit, and Active Guard Reserve Soldiers, and some Army retirees must use their Army Knowledge Online login information to access Third Party Request through the U.S. Army Human Resources Command Website.

Login at: <https://www.hrc.army.mil/verify/>

Recruiting referral bonus

New recruiting initiative “grand” for retired Soldiers

The Army has expanded to retired Soldiers eligibility for the \$1,000 recruiting referral bonus.

This newest recruiting incentive pays retired Soldiers a \$1,000 lump sum for referring applicants who enlist, complete basic training, and graduate individual advanced training.

The Secretary of the Army is granted the authority to pay a bonus to any individual who refers to an Army recruiter a person who has not previously served in the Armed Forces and enlists in either the Active Army, Army National Guard or the Army Reserves. The referral may not be an immediate family member and the Retired Soldier referring may not be serving in a recruiting or retention assignment or as a Junior ROTC instructor.

Army Retirees includes Active Army Retirees and Army Reserve Component Retirees including Reserve members who have transferred to the Retired Reserve but who have not yet reached 60 years of age.

Since the \$1,000 referral bonus for currently serving Soldiers was initiated in January, the referral Web site has received more than 5 million hits, resulting in approximately 5,000 referrals, 500 contracts, and 100 recruits who have begun training.

The Army plans to present the first \$1,000 check on June 8 to Staff Sgt. Consuelo Spears at Fort Huachuca, Ariz., when Pvt. Bartolomiej A. Rdes graduates from his Advanced Individual Training at Fort Sill, Okla. Pvt. Rdes was recruited by Staff Sgt. Alberto Rochezayas from the Chicago Recruiting Battalion.

For more information about this pilot incentive program, retirees should call 1-800-223-3735 extension 6-0473, go to www.usarec.army.mil/smart or contact their local Retiree Services Office.

Once a Soldier, Always a Soldier

Keeping in touch

2006 U.S. Army Soldier Show schedule

The theme of this year's Soldier Show is "Reveille: Answering the Call". The show will include many types of music highlighting who Soldiers are and why they joined the Army. Check the schedule below to find out if the Soldier Show will be touring in your area.

Admission to all performances is free. Check with local Morale, Recreation and Welfare or public affairs officials for exact location, post access procedures, and curtain times. Dates and locations are subject to change.

October

- 11 – Fort Leavenworth, Kan.
- 13 – Fort McCoy, Wis.
- 14 – Fort McCoy, Wis.
- 19 – Fort Drum, N.Y.
- 22 – U.S. Military Academy, West Point, N.Y.
- 24 – Fort Dix, N.J.
- 25 – Fort Dix, N.J.
- 27 – Armed Forces Retirement Home, Washington, D.C.
- 28 – Warner Theatre, Washington, D.C.
- 31 – Fort Meade, Md.

November

- 1 – Fort Meade, Md.
- 3 – Fort Bragg, N.C.
- 4 – Fort Bragg, N.C.
- 7 – Fort Monroe, Va.
- 9 – Fort Monmouth, N.J.
- 10 – Fort Monmouth, N.J.
- 12 – Fort Belvoir, Va.